Entrepreneurial Women in Manitoba:

Options and Opportunities

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INTRODUCTION

This paper was jointly funded by the provincial Departments of Business Development and Tourism and Industry, Trade, and Technology. It was prepared under the general direction of the Manitoba Women's Directorate.

It is intended as one of a number of first steps currently being taken in Manitoba towards understanding and encouraging self-employment, whether on an individual or on a collective basis. It includes a brief discussion of female entrepreneurship in general; it indicates the programs that are available for women business owners in other provinces; it describes and summarizes the available data on women business owners in Manitoba; it touches very briefly on the special problems faced by rural, native, and immigrant women; it includes a list of those interviewed; it contains a literature review; and it points to directions the provincial government might consider should it decide to encourage and assist self employment for women. It is clearly an option that presents many opportunities and that can be made to work.

PREAMBLE

One of the routes to equal opportunity between men and women is economic independence for women. There are many ways women can achieve economic independence; this paper discusses the avenue of self-employment, whether individual or collective.

For many different reasons, self-employment for women has become one of the emergent issues of the eighties. The women's movement is certainly one of these reasons; a slowdown in the job producing capacity of the economy is another; and the lack of women who have made major inroads in the corporate culture is a third. A recent Statistics Canada report indicated that in 1985, women working full time earned on average 64.9% of what men earned, down from 65.5% in 1984. In 1967 women earned 58.4% of what men did, which means that progress over almost two decades has been glacially slow.

Manifestations of this interest in self-employment are common. In Canada, reports on entrepreneurial women have been produced in five of the provinces over the last three years. Several articles have appeared in academic journals and innumerable stories on women in business have appeared in newspapers and magazines. Associations of women business owners have been forming all across the country and the Federal Business Development Bank regularly orchestrates conferences for entrepreneurially minded women.

In Manitoba, a new Women Business Owners Associatin has recently been established, several highly successful seminars for women on "Self-Employment: The Possible Dream" have been conducted, the tripartite Core Area Initiative is developing a special program for inner city entrepreneurs, the Congress of Black Women in Canada has just sponsored a seminar in Winnipeg called "Black Women and Starting Your Own Business"; half the callers to the Winnipeg Enterprise Development Centre are women; and more than 200 people predominantly women unexpectedly attended an early March information session at the YWCA given by the president of an economic development corporation in Minnesota that specializes in self employment for women.

This is not to say that self-employment for women is easy or even very profitable. In many cases, it is neither. It is also certainly not for everyone. But it is an option for women that deserves more interest, more scrutiny, more support, and more careful encouragement.

Why? Because completely aside from the psychic benefits accruing to the women themselves, self-employment offers social benefits. Obviously, it will lead to an increase in community income levels. It can result in reduced demands on welfare, unemployment insurance, and other similar transfer payments. It can alleviate other serious problems in communities (for example farm financial problems in rural communities). It can also offer women a way to combine family responsibilities with gainful employment. However it must be recognized that self-employment can also be one of the most time-consuming occupations there is.

Can it be fostered and encouraged? All the evidence seems to suggest that it can. There are proven strategies that have worked all over the world in places as diverse as Minneapolis and Zimbabwe. In some cultures non-governmental initiatives are appropriate, while in others, a pro-active role for government seems not only appropriate but essential. Of course that is not to say that entrepreneurs will not appear on their own -- by definition they will. However it is probably particularly with women that support and encouragement will substantially increase the number of entrepreneurial initiating.

What kinds of supports are most useful? Women need money, they need training in financial matters, they need strategic planning and marketing skills, they need to recognize that having power and money are legitimate goals, and they need to develop self-confidence and the ability to believe in their own capabilities and talents. These needs <u>can</u> be met as time and resources permit. The rest of this paper is intended to show <u>how</u> this can be done.

DATA

A. How Many Self-Employed Women Are There in Manitoba?

Estimates range from 8,000 to 22,000. The real number is probably nearer the high side than the low. The detail follows:

1. Labour Force Survey Estimates

The Manitoba Bureau of Statistics acquired the following unpublished estimates from Statistics Canada.

SELF-EMPLOYED WOMEN, MANITOBA

	1980	1981	1982	1983	1984	1985
Agriculture	N/A*	N/A	N/A	N/A	2,100	3,700
Retail Trade	2,200	2,100	N/A	2,100	2,500	3,300
Services	7,200	6,600	6,900	7,700	7,700	9,100
Total	11,400	10,900	11,200	12,200	13,300	16,500

Although the Labour Force survey does not normally publish these statistics for a good reason (they are not very reliable, individually), a trend seems clearly apparent. The number of self employed women increased by 45% over the 1980-1985 period in contrast to a 12% increase in the number of employed women and a very slight decline in the number of employed men (Women in the Manitoba Labour Market).

Between 1980 and 1984 in the country as a whole, the number of self-employed women grew by 25% while the total number of employed women grew by 9%. The comparable figures in Manitoba for the same time period were 17% and 8%. There was a very significant jump in the number of self-employed women in Manitoba between 1984 and 1985 but it is difficult to judge the statistical reliability of this. Whether completely accurate or not, it is safe to say that self-employment among women in Manitoba is growing considerably faster than standard employment.

2. Revenue Canada Estimates

The Manitoba Bureau of Statistics also recently acquired some special draft tabulations from Revenue Canada which are summarized below. The data contain the latest available annual data (for the 1984 taxation year) and refer to all returns, whether taxable or nontaxable. It is important to bear in mind that what Revenue Canada considers "business proprietors" are unincorporated

*Estimates less than 2,000 are not released, which explains not only the "Not Availables" in the preceding table, but also the absence of the other industrial sectors.

businesses. Many more women-owned than men-owned businesses are unincorporated, which means that the data that follow understate the gap between men and women who are self-employed.

MANITOBA BUSINESS PROPRIETORS

	1980		1983		1984	
	#	% of all Returns	#	% of all Returns	#	% of all Returns
Male	14,023	4.0	18,604	4.4	16,755	4.6
Female	6,866	2.1	6,464	1.9	7,840	2.3

The data are also very different from the Labour Force Survey estimates described in section 1 (7,840 versus 13,300 estimated by the LFS in 1984). Part of this difference is definitional (the exclusion of incorporated businesses from the Revenue Canada data for example), part may possibly be due to sampling error (the LFS figures are based on very small samples), part is temporal (the big jump shown by the LFS occurred between 1984 and 1985), part may be due to misleading self-reporting of occupations by taxfilers, and part may be due to tax avoidance, although it seems unlikely that a tax-avoider would describe herself as self-employed to the Labour Force Survey. Whatever the case, it certainly seems reasonable to regard 8,000 self-employed women in 1984 as a likely under-estimate.

In terms of income levels, the Revenue Canada data are rather dispiriting for both men and women, as the following table indicates:

AVERAGE INCOME, BUSINESS PROPRIETORS

	Female	Male	F. as % of M
1980	$5,700	$12,700	45
1983	$8,300	$15,000	55
1984	$7,500	$14,000	54

In these circumstances, it seems rather small comfort to observe that the income levels of female proprietors are increasing faster than those of male proprietors.

Much more small business information gleaned from Revenue Canada data will be available from the Small Business Statistics Data Base Program, jointly funded by Stats Canada, DRIE, and the Provincial and Territorial governments. The project is still in its early stages however, and information will not be available for some time.

3. Extrapolation from National Data Estimates

A special Statistics Canada Labour Force Survey report on self-employment

in Canada was released in July of 1985. That report reveals the following (no provincial breakdowns):

- Total self-employment (i.e., both sexes) increased by 18% over the 1979-1984 period (from 1.252 million to 1.480 million). These estimates include the working owners of incorporated businesses, who are often excluded from conventional definitions of self-employment.

- A majority of the self-employed (55.8%) are found in the agricultural sector, followed distantly by construction (29%), trade (17%), and services (14.1%).

- Of the 1.480 million self-employed in 1984, 71.8% were male (1.06 million); 28.2% female (.42 million).

- The highest concentrations of self-employed women in 1984 were in the service, and trade sectors.

- If the usual "5% for Manitoba" is applied to these figures, there may have been as many as 21,000 self-employed women in the Province in 1984. If the number of self-employed women increased by 3% per year since 1984, there may be as many as 22,300 currently.

B. What Provincial Departments and Agencies Know About Self-Employed Women

- Gender-specific data related to business development programs and initiatives are not routinely collected by any provincial agency, although the Winnipeg Enterprise Development Centre has begun to collect this data. Anecdotal information from that department indicates that about half the callers seeking self-employment information from the Centre in Winnipeg are women, with somewhat lower proportions the norm in the Brandon and Dauphin offices.

- The existing Provincial Venture Capital Program has assisted eleven women over the last two years (of 240 clients). These women have at least a 25% "degree of influence" over their firm (as defined by Business Development and Tourism). Female participation is so low because the program deals with major projects primarily in the manufacturing sector. Most of the program's clients are men in their mid fifties with appreciable amounts of capital of their own.

- The recent (June 1986) evaluation of the Youth Business start program indicated that 28% of the applicants but only 17% of the approved participants were female. Both figures seem rather discouraging.

C. What the Literature Search Reveals About Women Business Owners

- Numbers of women business owners are growing, although various sources disagree about how fast this is occurring.

- Women business owners are well educated. [Some studies (Saskatchewan, Collom) have found the opposite.] Almost invariably however, the woman business owner has no training or education in business matters and partly as a consequence, feels ill at ease with such matters.

- Women business owners frequently come from entrepreneurial and immigrant families. There are several theories that attempt to account for this phenomenon but it is a common finding of entrepreneurial research directed at both sexes.

- Women business owners are overwhelmingly active in the service and trade sectors, although the Stevenson Report found a surprising proportion of Maritime women in manufacturing industries.

- The businesses of women business owners are usually unincorporated, single proprietorships without employees.

- The average incomes of women business owners are quite low.

- Women usually decide to start their own businesses to achieve some measure of economic independence.

- Women business owners are usually married with children.

D. Statistical Miscellany

- 10 to 15 years ago, only a few women were enrolled in business programs at Red River Community College; today they represent over half the student enrollment in those courses.

- TIEM, a new consulting service that provides various supports for emerging entrepreneurs, reports that about 25% of its recent clients have been women.

- The Women Managing for Success Conference sponsored in the fall of 1986 by the Federal Business Development Bank and Manitoba Department of Business Development and Tourism attracted over 250 participants.

- The Core Area Initiative has assisted 29 businesses that are owned at least partly by women (of 146 projects in total).

- Neither the Chamber of Commerce nor the Canadian Federation of Independent Business keep gender-related statistics, partly for constitutional reasons.

E. Some Employment-Related Reasons Why Women Might Pursue the Entrepreneurial Route:

- According to Statistics Canada, women in managerial and administrative occupations in Manitoba accounted for 1.9% of the female labour force in 1971 and only 3.7% in 1981, after a decade of what many might consider quite rapid change in society (Census information).

- Over the same time period the female participation rate in the Province increased from 41.9% to 52.2% (Stats Canada - The Labour Force). It is interesting to note that since 1981, the female participation rate has increased from 52.2% to 55.7% while the male has declined from 78.2% to 76.5% (1985 data).

- The employment participation rates of women with children have increased dramatically over the last decade.

PARTICIPATION RATES OF WOMEN WITH CHILDREN
MANITOBA

	1975	1980	1985
Child Under 3	27.9%	39.5%	51.8%
3-5	39.4%	55.1%	65.6%
6-15	49.2%	62.9%	73.4%

Source: Stats Canada The Labour Force.

- In 1980, average annual earnings for all Manitoba women who worked full time were $12,600; for men, $19,100. In managerial and administrative occupations the comparable figures were $15,600 and $25,600; in service occupations, $9,300 and $17,300 (Census Information).

- When educational levels are held constant, differences in average annual earnings do not, as might be expected, narrow. In 1982, average annual earnings for Manitoba women with a university degree were $24,000; for men, $36,100. With some or a completed high school education, the difference was $13,000 versus $20,600. (Data contained in Stats Canada, Characteristics of Women in the Labour Force.)

- A report just released by the Ontario government found that "A consistent wage gap between male and female full-time workers was found to exist; wages of full-time female workers were lower than for male full-time workers in each category represented, regardless of gender concentrations throughout the industry groups" (Hay Management Consultants).

- Almost one-half the employed Manitoba women worked in clerical and service occupations in 1985 (Women in the Manitoba Labour Market, Employment Services and Economic Security). And yet there are precisely the jobs that are, as the Director of Labour Canada's Women's Bureau put it "in the forefront of technological innovation" (Focus on Women Conference, 1983). Women in these jobs are vulnerable.

RURAL WOMEN, NATIVE WOMEN, IMMIGRANT WOMEN

Because of the nature and scope of this report, the discussions that follow pertaining to rural, native, and immigrant women are brief. Each one of them deserves further study.

A. Rural Women

Partly because of a severely depressed agricultural industry, women in rural Manitoba are becoming increasingly interested in self-employment. Aside from considerations related to self-fulfillment and independence, they are more and more seeing self-employment as a way of keeping the family farm by supplementing income.

This is a recent phenomenon. A year ago for example, the Provincial Home Economics Directorate did not perceive self-employment possibilities for farm women as an issue of pressing concern. However, this has changed in part because of the great interest shown in self-employment at the Provincial Farm Women's Conference in November of 1986. In addition, publications aimed at the agricultural industry (Farm Women magazine for example), have become increasingly interested of late in self-employment, particularly of the home-based type. The Brandon and Dauphin provincial Enterprise Development Centres also report increasing interest in business ownership by women. The Pembina Valley area as well has experienced growing female entrepreneurship over the last four years, but especially over the last few months.

So although there are no precise statistics on the subject, there is much evidence that rural women throughout the province are increasingly contemplating self-employment as a way of 'saving the family farm' as well as a way of achieving some measure of economic independence. However, standing between desire and execution are a number of hurdles. The problems of lack of self confidence, hesitation in recognizing transferability of skills, lack of knowledge of financial matters and a fear of financial institutions are some of the obstacles. To make credit matters worse, the banks in this case are afraid of the clients, in the sense that they are very apprehensive about lending money to anyone involved with a farm.

There are some support services available to entrepreneurial rural women. The regional development corporations (notably Pembina Valley), the community colleges (notably Assiniboine), the Enterprise Development Centres, and the Home Economic Directorate all provide some measure of support to women interested in self employment. The support ranges from one-on-one counselling to the provision of printed material to the identification of other possible sources of help. There is also a provincial Farm Women's Network that provides opportunites for communication in rural areas.

There is a need for educational materials that are adapted to rural areas. An efficient and widespread method of keeping rural entrepreneurial women in touch with each other and with new opportunities, programs, and other developments would be very useful.

B. Native Women

The Manitoba Women's Directorate prepared a paper on economic development for Native women in May of 1986. That paper recommended that along with meeting some basic human development needs (better health, housing, and child care for example), entrepreneurial expertise among Native women should be encouraged. The report recommended that when taken, first steps should be in the direction of co-operative and community based endeavours, partly for cultural reasons and partly for joint support reasons.

C. Immigrant Women

The Manitoba Women's Directorate also prepared a paper on immigrant women in the spring of 1986, which was based on wide consultation with immigrant women. While this paper makes no specific recommendations related to entrepreneurial immigrant women it recommends various steps to improve the employability and the upward economic mobility of these women, primarily in the area of language training.

An area of particular concern for immigrant women relates to 'home work' (i.e., people working in their homes). There is some concern that immigrant women (and indeed perhaps a much wider group) are being exploited by home work situations. A December, 1982 conference sponsored by the Social Sciences and Humanities Research Council investigated "Data requirements to support research into women and the Canadian economy". A paper dealing with the home work issue observed that "Groups dealing with immigrant women have increasingly called for investigations [into home work] but none has ever been done. It seems intuitively plausible that exploitation might arise in these situations, which certainly bear no resemblance to normal concepts of self-employment.

THE SITUATION ELSEWHERE

1. Saskatchewan

The Saskatchewan government has conducted a number of special surveys on entrepreneurs (see Literature Review). In addition, since the beginning of 1984 they have held 'women and business' conferences in Regina, Saskatoon, and Lloydminster that combine workshops, speakers, and opportunities to network.

2. Ontario

The Ontario government's Ministry of Industry, Trade, and Technology runs a program called "Business Ownership for Women." It involves seminars and conferences that are designed to help women either start a new business or expand an existing one. The program was designed in response to a consultation process with women entrepreneurs. The process revealed a desired role for government as counsellor and information broker. In addition, the program incudes an awareness campaign aimed at young women in the public school system.

A New Ventures program is available to all entrepreneurs. It involves a guaranteed loan of up to $15,000. The loan funds must be matched by the investor's own funds, unless the business is in northern or eastern Ontario in which case the investor need only put up half. The head of the Canadian Association of Women Business Owners has criticized this program as a waste of money because the funds are insufficient for starting up. (Financial Post, September 17, 1986).

There are also several non-profit organizations in Ontario that are geared to the needs and interests of women business owners. "Women Executives and Entrepreneurs" in Toronto provides networking and educational opportunities for female entrepreneurs. It also acts in a lobbying and public relations capacity. "Women's Initiatives for Successful Entrepreneurship in Southwestern Ontario" is based in London and offers educational and non-financial support to women business owners. "Women's Business Network Association of Ottawa" provides networking and educational opportunities. There are also organizations for women entrepreneurs in Sudbury and Thunder Bay.

3. Northwest Territories

The NWT has no specific programs related to women entrepreneurs with the exception of a promotional campaign designed to encourage women to start small businesses. The NWT Women's Secretariat is currently assessing the achievements of that campaign.

4. Prince Edward Island

The P.E.I. Department of Industry recently hosted a one day session with women business owners to determine exactly what programs or services are required by them. The Department is in the process of developing a program based on the results of that session.

5. New Brunswick

The N.B. government co-sponsors Women and Business courses with the FBDB, offers an "Entrepreneurial Skills" course (not just for women) and a "Career Orientation for Women" course through the Department of Advanced Education and Training, and is currently producing a video focussing on women as entrepreneurs.

6. Alberta

The Alberta government has no special programs for women entrepreneurs. The FBDB courses have been offered in conjunction with the Alberta Women's Secretariat and the Calgary Association of Women and the Law.

7. Nova Scotia

Nova Scotia has been the scene of a number of interesting developments related to entrepreneurial women. In the summer of 1985, the Nova Scotia Government announced a "Women's Entrepreneurial Development Program" that provides grants of up to $1500 to assist existing entrepreneurs in market research and development, technological enhancement, or participation in courses. The program is aimed more at enhancing human development skills than business skills and has been very popular. It is currently being evaluated. One of the indirect results of the program has been the drawing in of entrepreneurial women to the Department of Labour, which runs the program. The Department is also trying to establish a computer registry of women business owners which they intend to use as a large network, to keep entrepreneurial women in Nova Scotia informed, involved, and in touch.

The Nova Scotia government in conjunction with the National Film Board and Acadia University has also funded the production of a film on entrepreneurial women in Nova Scotia. The film, intended to provide role models for aspiring female entrepreneurs as well as to convince the general public that women can and do run "real" businesses and not just hobbies, will be distributed across the country the National Film Board.

The Department of Labour is in the process of establishing entrepreneurial development Boards throughout the Province, but has not to date specifically addressed the issue of female involvement in this venture. An Atlantic Women Business Owner's Association has been established.

8. British Columbia

The Province has recently completed two studies on women business owners (see Literature Review) but there are as yet no special programs operating to encourage female entrepreneurship. However, B.C. Women's Programs publishes a quarterly newsletter containing news of interest to women. The Fall 1986 issue incorporated a special insert listing resources for women in business. It also contained a summary of the study done by B.C. Women's Programs. In addition, a brochure is available entitled "Women in Business: How Do I Get Started?" It lists organizations that may be of help to women interested in entrepreneurship. Lastly, Women's Programs has developed a mentorship program (not restricted to entrepreneurs). The program matches women in business and the professions with young high school women and re-entry women who wish to acquire first hand information and advice on selected careers. The objective of the program is to encourage women to actively pursue careers in business and professional occupations by drawing upon the experience and expertise of women already established in their fields.

There is also a non-governmental program known as Women Skills Development Society. It provides community organizing, consulting, and resource development services for community economic development. Frequently Women Skills will assist groups of women who want to establish co-ops or non-profits to engage in a business venture, sometimes in communities hit by adverse economic circumstances. Women Skills will not provide assistance to individual entrepreneurs; they are group and community oriented. They are currently investigating the possibility of establishing a loan guarantee fund for community economic development programs run by women.

9. Quebec

The Government of Quebec has been very active in the area of female entrepreneurship since a session on women and the economy held in Montreal in the fall of 1983. The conference resulted in a call by the 1,000 participants for government programs to assist female entrepreneurs. The Government has an extensive data bank on over 5,000 women business owners and has launched a five year research program into female entrepeneurship. It continually runs seminars focussing on management skills, the development of self-esteem, and so on. It has generated a philosophy and a theoretical structure for its policies that appear to be unique in Canada.

10. Minnesota

A very well-known program for women entrepreneurs is the Women's Economic Development Corporation (WEDCO), headquartered in Minneapolis/St. Paul. WEDCO is a non-profit organization, founded in 1982 to increase the chances of business survival and success for women business owners. It is committed to increasing women's opportunities for self-sufficiency through the successful ownership and operation of a business. It provides consulting, training, and referral services to all types of women and all types of businesses. WEDCO has

a staff of professionals who tailor the various programs to meet the needs of each individual business owner. Initial funding for WEDCO was provided by a number of foundations and corporations and it has been remarkably successful. It has established partnerships with local banking institutions so that it can assist in the actual financing of businesses. It has also established a 'Seed Capital' fund to function as a last resort for the start-up of new businesses.

FUTURE DIRECTIONS

The recommendations that follow have been formulated in a context of grave concern about budgetary deficits and as a consequence, provide suggestions for program modifications. Encouraging and developing greater self-employment opportunities for women is possible and would not be excessively expensive. In addition the social returns could be significant -- increased income in the community and reduced dependence on welfare and other transfer payments being only the two most obvious benefits. Potential returns in rural agricultural communities appear particularly promising.

However, funding for a major new program initiative is not among the following recommendations. This does not imply that a major new program initiative would not be welcomed by many women throughout the province. Some relatively small scale expenditures <u>are</u> recommended, although detailed costs estimates relating to these recommendations are beyond the scope of this report.

The recommendations are grouped into major subject areas and where appropriate, a lead provincial agency or department is indicated as the logical focus of responsibility for implementation. However, it is important to bear in mind that many departments have some degree of influence over the issues discussed here and the need for coordination and province-wide involvement is critical. The recommendations are <u>not</u> listed in order of priority.

A. Data

There is a dearth of information in the province about female entrepreneurs starting with such elementary items as numbers in the area. Clearly it would be useful from a public policy point of view to increase our knowledge in this area.

1. Continue to press for as much gender-specific data as possible from the Federal/Provincial Small Business Statistics Data Base Program.

2. Investigate all the possible ways that gender-specific data could be collected and stored as a matter of course during the normal administration of many provincial programs. For example, the Winnipeg Enterprise Development Centre has started to record the sex of callers to its inquiry number. There are some complications in the data collection area that cannot be ignored, such as human rights considerations and pay equity apprehensiveness, but the potential for enhanced and reasonably cheap data retrieval does exist (MBS).

3. Conduct small scale surveys, perhaps directed at new business registrants (such as is done in Ontario every summer by students), in connection with other data. The survey(s) would provide useful new data at a reasonable cost. Although BD and T is one logical implementing mechanism for this recommendation, any department with some responsibility for supporting

business ventures would be appropriate (e.g., Co-op Development).

4. Establish a data base on women business owners in Manitoba. This data base will be useful for information dissemination; for business contacts; for locating appropriate members for boards, committees, task forces, and so on; for mobilizing volunteers and mentors; for research; and for networking. Such an "inventory" of women business owners in the province could be used to help ease the credit problems faced by many women (see following section) by bringing together people with money to invest and people who have good business ideas but no money (BD & T).

5. Appoint a responsibility centre for the establishment and maintenance of a data base on women business owners in other jurisdictions. Interest in the subject is high and new research is being published continually (BD & T).

B. Access to Capital

Inadequate financing is a problem shared by many entrepreneurs. However, most observers agree that for a variety of reasons, women experience greater problems obtaining adequate financing than do men. If female entrepreneurship is to be encouraged, it appears essential that steps be taken to reduce the severity of the problem of access to capital.

Recommendations:

1. Establish a venture capital fund for women. A Small Business Bond Program with a special component for women was announced in the throne speech but has not yet been implemented. The existing venture capital program has been modified somewhat to make it more appropriate for women. Although loan amounts of even $50,000 (vis-a-vis the original $100,000) are still beyond the reach of large numbers of women business owners, many of whom only require $10,000 or $20,000.

   It should be noted that there are two other venture capital funds in the design stages that may render a specific provincial fund unnecessary. One is a tripartite fund (Federal and provincial government plus private investors) that would be administered by the Winnipeg Business Development Corporation (no details about this fund are available, including how non-Winnipeg centres would be involved) and the other is being developed by the Winnipeg Initiative. Both these funds should be sensitive to the needs of women entrepreneurs.

   Whereas ensuring some direct personal investment from entrepreneurs who are initiating an enterprise is desirable, requiring 'matching' by personal funds in general makes funding programs inaccessible to women. (BD & T.)

2. Ensure that women are able to gain access to any venture capital funds that are established. The issue of access continues to be a major concern and programs must be designed to accommodate the special needs of women entrepreneurs. Women must be able to prepare a comprehensive and lucid business plan and must be able to deal with some confidence with the financial details of their business. Although it would require a fairly significant commitment of resources, probably the most effective way of meeting these needs would be to provide either a storefront type of operation for women entrepreneurs or alternatively, to provide a source of funds so that women could retain the kind of expertise they require. It would be preferable in both these cases for the expertise to come from a non-governmental source. Governments do many things well but there is an undeniable advantage associated with one small business giving advice to another simply because of their more immediate and intimate knowledge of the subject (BD & T).

   If it is determined that a fairly significant resource commitment is simply out of the question, support and advice will have to be forthcoming from traditional channels, discussed in the next section.

C. Education/Training

There are several sources of basic "how-to" information for women interested in self-employment. The Enterprise Development Centres in Winnipeg, Brandon, and Dauphin provide a great deal of information on the subject, as do the Federal Business Development Bank centres. Most financial institutions provide some types of information and there are innumerable books and magazine articles on this subject.

However, a point frequently made by people interviewed for this report was that many of the available publications are not completely appropriate for many would-be female entrepreneurs. There appears to be a need for basic business publications that are aimed specifically at women.

Recommendations:

1. Verify this need by evaluating existing publications in Manitoba and elsewhere, by talking to female entrepreneurs to find out what they need and want, and by determining the most cost-effective way of meeting the needs. Publications aimed at the unique needs of rural women, farm women, native women, black women, and immigrant should be developed (BD & T).

2. As a way of providing positive role models for women, promote the distribution of a film produced in Nova Scotia about women business owners in that province. The film will be released nationally by the National Film Board in the near future.

3. Locally, consider the greater use of educational television as a vehicle

for encouraging girls to consider self-employment. The Native Education Branch has already produced a film on entrepreneurial native women (Education).

4. Investigate the feasibility of sensitizing curriculum material to the fact of the entrepreneurial women. This should include the entire school curriculum, adult education material, as well as information used by Employment Services and economic development initiatives.

5. Ensure that this report as well as various sources of information collected during its preparation are easily accessible to the public. The Provincial Business library is one logical location for this material (BD & T).

D. Collective Action

The collective model of entrepreneurship is one that appears especially suitable for women. Women often are more comfortable in groups than are men. Coupled with a common lack of self-confidence and a need for supports and mentors, this orientation would indicate a particular affinity for collective ventures. In fact, a recent survey commissioned by the Department of Co-operative Development found that support for co-ops of all types was highest among women and people under 35. Among women, 83% favoured worker co-ops as a way of starting new businesses and generating jobs. In order to encourage and focus in on the potential benefits of collective action, some very basic steps could be taken.

Recommendations:

1. Promote the use of community economic development corporations and other collective forms of organization as a vehicle for facilitating business ownership by women (BD & T, Co-op Development) as well as a means of facilitating community economic development.

2. Promote the use of women's worker co-ops, which as a form of organization are probably unfamiliar to many women (Co-op Development).

E. Rural Women

Recommendations:

1. Promote the concept of self-employment for rural women, especially in view of the dire economic circumstances that exist in the agricultural sector. Co-ordinate the efforts of the actors involved (such as the Regional Development Corporations, the community colleges, the Home Economics Directorate) to determine how best to encourage and facilitate self employment for rural and farm women.

F. Native Women

Recommendations:

1. Encourage the provision of life skills training as required.

2. As emphasized in the training section, ensure that education and training materials are appropriate and sensitive to the context.

3. Maximize the use of existing programs and structures as appropriate, such as community development corporations, the Northern and Remote program, and the structure of the Department of Northern Affairs.

G. Immigrant Women

Recommendation:

1. Provide appropriate supports and tools to enable immigrant women who are entrepreneurially inclined to compete on an equal basis. In most cases, the major support required is effective language training (Education).

INTERVIEWS

A list of people interviewed by phone, by mail, and in person follows. Originally, the plan was to include with this section a brief synopsis of the comments and observations made during the interview process. However, because the thoughts and the theories of all the people who gave so generously of their time form an integral part of the whole of this paper, a separate "Interview" section soon appeared redundant and was quickly deleted.

My thanks to all who spent so much time with me. My sincere apologies go in advance to any whose names were inadvertently left off the list, to those whose names I've misspelled, and to those whose affiliations I've got wrong. Communicating with people whose interests coincide with yours is one of the more pleasurable ways of spending time. Lastly, I would like to express my regret that I did not have time to talk to everyone I wanted to. I know I missed some valuable opportunities.

Austin, Nancy, NWT Women's Secretariat.
Bailey, R, Manitoba Department of Co-op Development.
Barker, Peggy, Manitoba Home Economics Driectorate.
Bergman, H, Manitoba Department of Business Development and Tourism.
Blatt, Rena, I, T & T, Ontario.
Boyce, Wayne, Manitoba Department of Education.
Conn, Melanie, Women Skills, Vancouver.
Cook, Susan, Canadian Association of Women Business Owners.
Desrochers, Gisele, Governement du Quebec.
Docking, Bruce, Manitoba Department of Business Development and Tourism.
Draper, Bill, Winnipeg Chamber of Commerce.
Falk, Wilf, Manitoba Bureau of Statistics.
Fort Garry Women's Resource Centre.
Fox, Mary, Manitoba Department of Business Development and Tourism.
Fraser, Jan, BEMA Consultants.
Gault, Marilyn, Mancin Consultants.
Grey, Gerry, University of Manitoba.
Harney, Lisa, B.C. Women's Directorate.
Hayes, Pat, FBDB.
Husak, Glen, Manitoba Institute of Management.
Hyde, Judy, BD & T.
Jordan, Lori, BD & T.
Kenny, Marilyn, CEIC.
Klassen, Joanne, Employee Assistance Centre.
Kocela, Diane, Labour Canada.
Lavergne, Richard, FBDB.
Levy, Moe, Manitoba BD & T.
Mager, Denis, BDT.
Mayne, Carol, PEI. Department of Industry
McCullough, Carol, N.S. Department of Labour
McGuire, John, BD & T.
McKay, Susan, Winnipeg Chamber of Commerce.
Morrissette, Diane, CACSW.

Nutt, Alison, Women Working.
Orser, Barb, Ryerson, Toronto.
Oulton, D. M, Manitoba Women's Directorate.
Polonsky, G, and staff. Red River Community College.
Powers, Elysabath, Gouvernement du Quebec.
Rankin, Joyce, Women Working.
Scullion, Susan, DRIE, Ottawa.
Shimonek, Gail, Pembina Valley Development Corporation.
Siebold, Leah, Saskatchewan Women's Secretariat.
Skelton, John, Statistics Canada.
Somerville, Sandy, Winnipeg Initiative.
Stigant, Cathy, Manitoba Women's Directorate.
Swanick, Lynne, N.B. Women's Directorate.
Thomas, Brent, Winnipeg YW/YM.
Thomassen, Shirley, TIEM.
Toews, Charlyn, MASCW.
Townson, Monica, Ottawa.
Vanderpost, Janing, Alberta Women's Secretariat.
Willms, Sue, Status of Women. Ottawa.
Young, Doris, Manitoba Women's directorate.

INTRODUCTION TO THE LITERATURE REVIEW

With the proviso immediately following, This Literature Review has included all Canadian sources of information on entrepreneurial women as well as selected American and British sources with the following proviso, it does not include references to magazine and newspaper articles, which are very numerous, often limited to profiles of successful women entrepreneurs, and in general not extremely enlightening. The few exceptions are contained in a separate section. Also contained in a separate section are lists of references compiled by Labour Canada and the Federal Business Development Bank. In addition the report published by the Government of Saskatchewan (see Abstract) contains a useful bibliography.

EXECUTIVE SUMMARY, LITERATURE REVIEW

What does the Literature Review tell us about entrepreneurial women? Interest in them has become widespread over the last 10 years, although much of the interest has appeared by way of magazine and newspaper articles highlighting individual successful entrepreneurs. All the serious work that has been done in Canada is based on approximately 1,000 women business owners who have been surveyed by a few researchers. A solid body of comprehensive, reliable and longitudinal data does not exist so observations, policies, and programs must be based on something less.

This raises a concern in many areas. For example, there are no completely reliable data about how many woman-owned businesses there are in Canada nor about how fast (or slowly) this number is growing. The section on data in this report discusses this issue in more detail. The conventional wisdom is that the number of female entrepreneurs is growing very quickly and moreover, their businesses are typically more successful than male-owned businesses. Although there are good grounds to consider both these propositions somewhat skeptically, the literature does seem to agree that women business owners are becoming an increasingly significant force in business and in society. The data section also describes who these women are in more detail.

By and large, the literature also agrees on the major needs of women business owners:

* Better access to credit. Some observers consider this to be the major problem female entrepreneurs face. Not only are they unaccustomed to (and often intimidated by) the world of large financial institutions, they typically lack the significant financial base, to serve as collateral. There is no consensus in the literature about how pervasive a problem discrimination based on sex is, however, it remains an issue for consideration.

* Improved knowledge of financial matters. Women business owners almost invariably identify this area as the one in which they feel the most uncomfortable, no doubt contributing to the already serious problems they face in terms of access to capital.

* Better marketing and sales skills. This is the other area most frequently mentioned by women as a problem for their businesses. Part of the issue here appears to be the traditional socialization of women, which encourages passivity and discourages aggressiveness.

* More and better networks that can provide business contacts, personal and professional supports, and role models and mentors.

* Lastly, most observers and analysts consider that women in general suffer from some socialized personality characteristics that inhibit business success. Among these are the lack of aggression mentioned

above, a fear of power, a fear of making money, and a deeply ingrained need to be liked and not to offend.

These characteristics are a partial explanation for the still relatively small number of women business owners, for the typically small size of most women-owned businesses, and for a common disinclination to grow and expand. The word "partial" is important here. Many women keep their businesses small for perfectly logical reasons -- because of family responsibilities, or because they do not need to keep their businesses expanding for ego-related reasons.

Women are widely agreed to have strengths that indicate their suitability for business. They are less afraid to admit ignorance and so tend to be more thorough and painstaking in their approach to a venture. Their business plans thus tend to be better thought out and more realistic. Women also tend to be more cautious, although this characteristic is often couched in more pejorative terms -- "women dislike risk-taking". They have better people skills and typically function well with employees, suppliers and customers.

However, there are also many psychological similarities between men and women entrepreneurs. Motivations for starting a business for example are very similar -- a desire to be independent and one's own boss, a craving for challenge, a dislike of authority, a desire for flexibility. Men mention money more often than women as a reason for entrepreneurship. Both men and women often cite a "determining event" as a reason for going into business — a death, a divorce, a firing, or some similar traumatic occurence.

Once the decision to go into business has been made, male and female paths often diverge. Far more often than men, women take a collective approach to business by organizing a cooperative. Another model which figures prominently in the literature but about which relatively little is known is home-based business, which is far more typical for women than for men. Women presumably set up businesses in their homes for two major reasons — family responsibilities and low overhead -- but almost nothing is known about how widespread a practice it is, to what extent it is positive or negative for women (flexibility versus exploitation), whether the incidence of it is increasing or decreasing, or whether the industrial composition is changing (is it becoming more high tech for example?). An interesting development in the field was the establishment in 1986 of the Home Business Women's Network, an organization started by a home based business woman in Ontario. The network publishes a regular newsletter and hopes eventually to have chapters across the country.

If one were to summarize the general tenor of the literature on entrepreneurial women in a phrase, that phrase would probably be "cautiously optimistic". Some writers are wildly euphoric about their prospects, a very few decidely negative, but most believe that opportunities and options for women business owners are increasing, albeit at somewhat less heady pace than the media might have us believe. Women still face large barriers in terms of potential business success -- family responsibilities (which still are predominantly theirs), inappropriate education (no math, no science, no business

skills), lack of capital, and some inhibiting personality characteristics. Major recommendaitons in the literature include:

* More and better data. It is easy to lose sight of the fact that really very little is known about female entrepreneurs.

* Improved access to credit.

* More training in strictly business-related matters, such as finance and marketing.

* Better networks.

* Greater exposure to the concept of women as successful entrepreneurs (i.e., role models).

A LIST OF ARTICLES REVIEWED

Belcourt, Monica. "Sociological Factors Associated with Female Entrepreneurship" York University. Undated.

Belcourt, Monica. "Nothing to Lose: Entrepreneurial Behaviour of Female Entrepreneurs". York University. Undated.

Blatt, Rena. "Survey of Small Business Registrants in 1984." Ontario Ministry of Industry and Trade. Journal of Small Business and Entrepreneurship Fall 1985.

Brabec, Barbara. "Homemade Money". Betterway Publications, Virginia, 1984.

Canadian Federation of Business and Professional Women's Clubs. "National Conference on Women and Work in the 80's." Lake Louise, Oct. 81.

Collom, F. D. "A Profile Study of Women Who Own and Operate Their Own Business". Queen's University, 1981. (funded in part by D.R.I.E.).

Commission on the Economic Status of Women. Minnesota, August 1986.

The Corporation for Enterprise Development. "Report of the National Strategy Session on Women's Self-Employment" Washington, D.C., May, 1986.

Cuba, Richard, D. Decenzo, and A. Anish. "Management Practices of Successful Female Business Owners." American Journal of Small Business Oct/Dec 1983.

Diffley, Judy. "A Study of Women Business Owners and the Importance of Selected Entrepreneurial Competencies Related to Educational Programs". University of Oklahoma Ph.D. Dissertation, 1982.

Elliott, Susan. "Ideas that Work". Live Oak Publications, Boulder, 1985.

Finnerby, Joseph F. and A. T. Krzystofik. "Barriers to Small Business Formation". Journal of Small Business Management, July 1985.

Fiske, Heidi and K. Zehring. "How to Start Your Own Business". Ms. Magazinze, 1976.

Gillis, P. "Entrepreneurial Mothers" Rawson Associates, New York, 1984.

Goffee, Robert and R. Scate. "Women in Charge: The Experiences of Female Entrepreneurs." George Allen and Unwin, London, Eng. 1985.

Hoffman, Helene, & Larry. "Going Solo: Starting Your Own Business in Canada." Methuen, Toronto, 1983.

Hisrich, R. D. and Candida Brush. "The Women Entrepreneur: Management Skills and Business Problems". Journal of Small Business Management, January, 1984.

Human Development Centre of Winnipeg. "Minding Her Own Business: A Study on Self-Employment in Manitoba". Winnipeg, 1983.

Jennings, W. E. "Entrepreneurship: A Primer for Canadians." Canadian Foundation for Economic Education, 1985.

Knight, R. M. "Entrepreneurship in Canada". the University of Western Ontario. Journal of Small Business in Canada. Summer, 1983.

Lavoie, Dina. "A New Era for Female Entrepreneurship in the '80's". Ecole des Hautes Etudes Commerciales de Montreal. 1984/85.

Litton, Moneca. "Women Business Owners and Financial Institutions in Western Canada". Vancouver, 1985.

Loden, Marilyn. "Feminine Leadership". Random House, N.Y. 1985.

McDermott, Kevin. "The '80's: Decade of Women Entrepreneurs" D & B Reports. July/Aug. 1985.

Millar, Anita. "A Study of Women Entrepreneurs in Canada." Small Business Office, Department of Regional Industrial Expansion. August, 1986.

The Minnesota Project. "Home Enterprise in Minnesota". October 1984. (The Minnesota Project is a private non-profit organization focussed on community economic development.)

President's Inter-Agency Task Force on Women Business Owners. "The Bottom Line: Unequal Enterprise in North America." Washington, 1978.

Province of British Columbia. "Survey of Women Business Owners in British Columbia: Major Findings and Policy Implications." April, 1986.

Province of British Columbia. "Self-Employment Trends in British Columbia: Focus on Women 1975-1984." Victoria, B.C. September, 1985.

Province of Saskatchewan. "Women in Business" Saskatchewan Department of Tourism and Small Business. May, 1986.

Schwartz, Eleanor. "Entrepreneurship: A New Female Frontier." Journal of Contemporary Business. Winter, 1976.

Scollard, J. R. "The Self-employed Woman". Simon and Shuster, N.Y. 1985.

Scott, Carol E. "Why More Women Are Becoming Entrepreneurs". Journal of Small Business Management, October 1986.

Small Business Secretariat. Department of Regional Industrial Expansion. "Canadian Women Owner/Managers". Ottawa, 1982.

Stevenson, Lois. "The Study of Entrepreneurship". Journal of Small Business Canada. Spring, 1985.

Stevenson, Lois. "An Investigation of the Entrepreneurial Experience of Women: Implications for Small Business Policy in Canada". Acadia University, 1984.

Stevenson, Lois. "Against All Odds: The Entrepreneurship of Women". Journal of Small Business Management, October, 1986.

Taylor, Charlotte. "Women and the Business Game." Cornerstone Library, New York, 1980.

White, Jerry. "The Rise of Female Capitalism — Women as Entrepreneurs". Laventhol and Horwath, 1986. (Note: this study is for some reason often mistakenly attributed to Thorne Riddell).

Winter, Maridee Allen. "Mind Your Own Business, Be Your Own Boss." Waxwing Productions Ltd. Toronto, 1980.

Belcourt, Monica "Sociological Factors Associated with Female Entrepreneurship" York University. Undated.

Professor Belcourt studied 36 female entrepreneurs in the context of traditional entrepreneurial theory to discover in what ways, if any, they differed from the norm (i.e., the male model).

Many studies have found that entrepreneurs are significantly influenced by entrepreneurs in their families and by other role models; that they are the eldest child in the family; that their socio-economic status does not appear to be a critical variable; that the influence of ethnicity is not clear-cut (i.e., the "marginal man" hypothesis may or may not be valid); and that level of education bears no direct relationship to entreneurship.

Professor Belcourt's survey resulted in the following major findings:

- the birth order hypothesis was confirmed: nearly 45% of the sample were eldest or only children.
- The role model hypothesis was also confirmed: nearly 60% had entrepreneurial fathers (versus 12% of the general population and 50% of male entrepreneurs). 38% had entrepreneurial siblings and 33% had entrepreneurial grandfathers. 76% of the 81% who were married had entrepreneurial husbands, over half of whom worked for the respondent. Of the 15 respondents with adult children, two-thirds of the children were working for the firm.
- In socio-economic terms, two-thirds of the respondents were middle class. 25% of the sample reported a drop in status from their grandparents or parents day and Belcourt hypothesizes that this may be an influencing factor in entrepreneurship.
- As with most other studies, Belcourt found her respondents better educated than average, although she describes their education as "irrelevant" to their business careers (i.e., no MBA's or C.A.'s).
- 25% of the respondents were born outside Canada (vs. 8% in the total population) and 53% had fathers who were born outside Canada. They also tended to be members of religious minority groups (predominantly Jewish).

Belcourt concludes that environmentally at least, female and male entrepreneurs are similiar. These results are interesting but it must be remembered that they are based on only 36 "very successful" female entrepreneurs. Belcourt does not explain what she means by successful, but presumably she means that her respondents owned businesses that were stable and very profitable.

Belcourt, Monica "Nothing to Lose: Entrepreneurial Behaviour of Female Entrepreneurs". York University. Undated.

In this article, Professor Belcourt studies the "entrepreneurial behaviour" of the 36 women business owners described in the previous article. She measures their behaviour against the three most widely used definitions of the entrepreneur -- the organization builder (not necessarily the creator of a venture), the innovator, and the risk-taker, although she considers the latter two definitions unsound.

She points out that her sample is highly unrepresentative of the typical self-employed woman. Her respondents owned businesses at least 2 years old that employed at least six people and grossed at least $500,000 annually. In contrast, 55% of female business proprietors in 1979 reported no taxable income at all, and of those who did, the average annual income was just $12,000.

However, her results showed that her respondents were neither innovators nor risk-takers (defined as risking both money and face or security). Half of them invested no money at all in their businesses and 25% used personal savings. Most started their companies in their homes or rented very modest quarters. Furthermore, none risked a very lucrative job, or even much energy and time. In short they had, as the author puts it, "nothing to lose".

In terms of innovation, only two of the 36 respondents were rated as having a unique concept, the rest offered products or services that were already being offered in the market. Consequently, Professor Belcourt falls back on building an organization as a more meaningful measure of an entrepreneur.

By this yardstick, Belcourt's respondents measured somewhat better. Two-thirds of the respondents wanted to expand their operations, although they did not spontaneously discuss growth and profit as goals. Their primary motivating force was independence and Belcourt speculates that they may equate growth with loss of independence (because of the need for more outside resources).

Professor Belcourt cautions that it would be dangerous to generalize her findings and suggests that further research is required. She strongly recommends that because the definition of "entrepreneur" is so multi-faceted, researchers should be careful to define what they mean by the term. She poses some interesting questions:

- Why are females clustered in the female ghettos of retail and service industries? Is it because of access discrimination?
- Why are women-owned businesses small? Is it because of lack of experience? Life style decisions? Lack of capital?

Professor Belcourt describes research on entrepreneurship as being in an "adolescent phase and as such, not particularly amenable to testing by means of

standardized questionnaires. She believes expensive and time-consuming open-ended procedures will be necessary for some time to come.

3A

Blatt, Rena. "Survey of Small Business Registrants in 1984." Ontario Ministry of Industry and Trade. Journal of Small Business and Entrepreneurship Fall 1985.

This survey involved about 2% of persons registering businesses in Ontario in 1984. To meet special needs identified by the Small Business Branch of the Ministry, three data subjects were identified -- women entrepreneurs, young entrepreneurs, and owner/managers (those intending to hire people immediately). Interestingly and in a complete reversal of the findings of several other studies, their survey discovered that 77% of the registrants were male and 23% were female (vis-a-vis for example Laventhol and Horvath, also based on registrations of new businesses, although national -- 69% female, 31% male). In view of the fact that the survey considered only proprietorships and partnerships, the male/female disparity is probably underestimated (assuming that more incorporated businesses are owned by men than women). In another departure from many other studies, the survey found that the two most important reasons for going into business were a) having had previous experience, and b) money. Most studies on entrepreneurship have found that making money per se is a motivation well down on the list. Another unusual finding of the Ontario survey was that more women than men were starting a manufacturing business and that more men than women were starting a service business. In yet another departure the survey found that women were the least likely to have prepared a business plan. The survey did find, however, that the women were the best-educated, which is a frequent contention of studies in the field.

This study definitely gives one pause because its results are so different from other studies. However, there are relatively few reports available and it is not possible to say with any certainty that one is right and the other wrong.

3A

Brabec, Barbara. "Homemade Money". Betterway Publications, Virginia, 1984.

The subject of women working at home is a major one -- who they are, what they do, why they do it, whether it is a good thing or not, and if not why not.

Whereas, this book does not address those issues, nor was that the intention. It is a very good "how to" book for people wishing for whatever reason to work out of their homes, or indeed to enter into self-employment.

1A

Canadian Federation of Business and Professional Women's Clubs. "National Conference on Women and Work in the 80's." Lake Louise, Oct. 81.

The interesting thing about this book is that there is absolutely nothing in it about women business owners. It seems highly improbable that the 1991 conference will share this omission.

Collom, F. D. "A Profile Study of Women Who Own and Operate Their Own Business". Queen's University, 1981. (funded in part by D.R.I.E.).

This study was initiated because "It was evident that very little information and data were available on the female entrepreneur. This has constrained comparative research and study, and most importantly, the development of government policy with regard to programs and initiatives that would be of benefit to this most important segment of the small business community". The study involved telephone interviews with 236 respondents in Toronto, Windsor, and Ottawa. The vast majority (76%) were in retail trade ventures while almost all the rest (20%) were in the service sector. The respondents' names were gleaned from a mailing list, (not indicated). Findings include:

- 33% were not born in Canada.
- 41% came from families of other entrepreneurs.
- most had only a high school education.
- challenge and independence were more important motivators than money.
- most did not consider government services useful, although 25% of the respondents actually used such services.
- only 32% had any long term plans or objectives.

3A

Commission on the Economic Status of Women, Minnesota, August 1986.

This particular newsletter published by the Commission is on the subject of women-owned businesses. It is based on an April 1986 report of the Bureau of the Census. It indicates that in 1977, there were 12,000 women-owned firms in Minnesota in comparison to a total of 63,000 in 1982, a faster rate of growth than the national (comparable figures of 700,000 and 2.9 million). More than half the women-owned businesses in the state are in the service sector while an additional 29% are in wholesale or retail trade. These figures are similar to national trends.

In the country as a whole in 1982, women-owned businesses accounted for 24% of all small businesses but for only 10% of all gross receipts. Women-owned firms with paid employees accounted for 11% of all women-owned businesses but for 66% of gross receipts, a very interesting statistic.

The Corporation for Enterprise Development "Report of the National Strategy Session on Women's Self-Employment" Washington, D.C., May, 1986.

This strategy session was held in Wisconsin in 1985. Most participants were American, with the exception of six Europeans and one Canadian (Gisele Desrochers, Director of Women's Entrepreneurship, Quebec Ministry of Industry and Commerce).

Noting the significant increase in female entrepreneurship in recent years, the participants stressed that the availability of sensitive technical support and creative financial mechanisms "dramatically" increase the likelihood of business success, particularly in the case of low income women. Given this fact, the session made 5 recommendaitons:

1. More and better data. As the participants noted "the dearth of information and standardized data concerning women business owners and their businesses constitutes a serious public policy gap".
2. The development and marketing of new images of women business owners. The session considered this desirable, not only as a way of changing prevailing public attitudes but as a way of enhancing women's own self-image.
3. The design and growth of effective programs aimed at women interested in self-employment, particularly low income women.
4. The support of effective intermediary organizations. This is an interesting point, although one more relevant to the U.S. than to Canada. The participants at the session considered it very important that intermediary organizations exist to link grass roots women working in low income communities with mainstream economic development practitioners and policy-makers.
5. The encouragement of innovative public policy, particularly where low

income women are concerned.

2A

Cuba, Richard, D. Decenzo, and A. Anish. "Management Practices of Successful Female Business Owners." American Journal of Small business Oct/Dec 1983.

In light of the general tenor of this literature review, the first and last sentences of the first paragraph of this study are extremely interesting: "The purpose of this research was to determine the reasons for the low level of success of a group of business owners which has a rather sad track record — American Women." And the last: "The statistics on women business owners are depressing, and the prognosis is not good."

The authors based these conclusions on a study of 58 women business owners in Atlanta, Baltimore, and Richmond. All the businesses had fewer than 15 employees but the authors concluded, based on their research, that inability to delegate was a major managerial defect of these entrepreneurs. They point to a correlation between size of sales and length of vacation and conclude that if more of these women took longer vacations, their sales would increase. The authors also attribute reluctance to use credit cards to an inability to delegate (because "offering customer credit can be translated to be a delegation of considerable record-keeping"). The final conclusion is that "education, prior experience, and delegation skills are desperately needed by female entrepreneurs". It is interesting to note that some studies (Black and Mouton) have concluded that a reluctance to delegate is typical of entrepreneurs in general.

4B

Diffley, Judy. "A Study of Women Business Owners and the Importance of Selected Entrepreneurial Competencies Related to Educational Programs". University of Oklahoma Ph.D. Dissertation, 1982.

The focus of this study is how best to provide appropriate training and education to women business owners. The sample is limited to self-employed women in the service and retail sectors in Kansas.

Ms. Diffley includes a search of the literature in her report and because not all her sources are contained in <u>this</u> literature review, a brief synopsis of the exclusions follows:

Scheirer, J. W. -- survey of 14 women business owners in Milwaukee. Concluded that men and women entrepreneurs are very similiar. 1975.

Schell & Weiman -- emphasized value of education for women business owners. 1977.

Demarest -- 51 women business owners in Boulder. Evidently uncovered some differences between men and women although Diffley does not say what they are. 1978.

Humprheys and McClung -- women business owners in Oklahoma. Found that the major difference between male and female entrepreneurs was that the women were much better educated. 1980.

Ms. Diffley conducted her own survey in order to discover what the major educational needs of female entrepreneurs are. She interviewed 125 women using a mailed questionnaire. Some of the findings:

- 63% were in the service sector and 8% in retail trade.
- 64% had managerial experience prior to self-employment.
- 55% were an eldest or only child, although there was also a high incidence of youngest children.
- 66% were between 35 and 54.
- 68% were married.
- 79% had attended college. 39% had graduated from college.
- motivation
  - 28% job dissatisfaction
  - 8% death or divorce
  - 38% other.
- 29% operated their businesses from their home.
- 48% used their own savings as capital, 25% bank financing and 4% government programs.
- The composite picture: ". . .the oldest child in her family and the original founder of her business. This hypothetical business owner is a white married female between the age of 35 and 54 with some college education and managerial experience. Her business is characterized as a sole proprietorship located in the central business district or a shopping centre. The hypothetical woman-owned business has been in existence for more than 5 years and shows a net income before taxes between 10,000 and 49,999 (in 1980)."

Because of the author's focus on the differences between women in the retail sector and women in the service sector, the study's 12 conclusions are not particularly useful in other contexts. The first one for example is "women service entrepreneurs consider understanding the development of organizational structure to be significantly more important than do female retail entrepreneurs."

The author recommends that in terms of educational activities, particular emphasis should be placed on the following competencies: a) knowledge of customers' needs, b) ability to use oral and written communicaiton skills, and c) general knowledge of the total business or industry which is being entered. This is an interesting finding because it is quite different from the conclusions reached by several other studies, which have tended to focus on needs for "harder" skills, financial skills mainly.

Partly A, Partly B

Elliott, Susan. "Ideas that Work". Live Oak Publications, Boulder, 1985.

This is a useful book that offers advice on self-employment in a number of specific areas ranging from catering services to lawn and garden services.

1A

Finnerby, Joseph F. and A. T. Krzystofik. "Barriers to Small Business Formation". Journal of Small Business Management, July 1985.

This study is an analysis of why people who had expressed a desire to go into business did not in fact do so. The only gender-related statistic revealed by the article is that females in managerial positions who had a number of dependents were more likely to go into business than single males in non-management positions but the authors don't suggest why.

4B

Fiske, Heidi and K. Zehring. "How to Start Your Own Business". Ms. Magazinze, 1976.

This is a "how-to" article in an American context but it is succinct yet comprehensive. It is also one of the very few North American sources to mention feminism: its last section is entitled "another View Toward A Feminist Business Ethic." It is written by authors different from those of the rest of the article, authors who own their own business but practice what they call "compassionate capitalism".

1A

Gillis, P. "Entrepreneurial Mothers" Rawson Associates, New York, 1984.

This is a good how-to book written (unusually) with mothers in mind.

1A

Goffee, Robert and R. Scate. "Women in Charge: The Experiences of Female Entrepreneurs." George Allen and Unwin, London, Eng. 1985.

This is the only non-North American source referred to in this literature search. According to the authors, British feminists are opposed to female entrepreneurship because it is anti-collective and because it is an integral part of an unacceptable economic system. Consequently, little attention has been paid to the phenomenon. The authors however foresee increasing entrepreneurial activity by women because of high unemployment in traditional female occupations, job dissatisfaction, and new technology (primarily computers for home-based businesses).

As is the case in North America, relatively little is known about women entrepreneurs in Britain. The authors estimate that there are currently somewhere over 400,000 female "proprietors", three-quarters of them in sales, service, and professional and technical fields. The businesses tend to be of recent origin and are almost always small (few or no employees).

The authors believe that proprietorship is one way women can respond to their "subordination". They point out that collective action in the form of trade unions has done little for women in spite of the fact that there has been considerable growth in the numbers of women trade unionists in Britain. They also believe that individual action offers a greater opportunity than collective action aimed at a fundamental restructuring of society. This book is interesting because of its very political orientation, which is noticeable for its absence in the North American literature. The following quote is quite typical of the book (it is a counter-argument to the feminist argument):

"First, setting up a small business does not necessarily constitute a personal reaffirmation of the principles of capital accumulation; on the contrary, it can represent an explicit rejection of the exploitative nature of the capitalist work process and labour market. In this sense then, business proprietorship may be seen as a radical - albeit short-term and individualistic response to subordination." It is not clear why the authors consider it a short-term response but the general thrust of the argument is clear.

The authors surveyed 54 female proprietors between 1981 and 1983 and describe their findings, quoting very extensively from the interviews. They devised a system of categories for women business owners based on both their

attitudes about business and their attitudes about the role of women in society. For example "radical proprietors" are feminist business owners who are anti-capitalist while "conventional businesswomen" are just that. The radical proprietors generally organize their businesses along cooperative, non-hierarchical lines.

The book concludes by emphasizing two points — that although women share a number of common problems with men in business start-up and management, they do experience quite distinctive gender-related problems; and that there are sharp differences among women proprietors. The authors believe that women need special training in assertiveness and negotiating skills and that they need better access to credit.

This book has a very different and interesting look at female entrepreneurship.

2,5,A

Hoffman, Helene, & Larry. "Going Solo: Starting Your Own Business in Canada." Methuen, Toronto, 1983.

This is a good how-to book that discusses intelligently all the major aspects of entrepreneurship. It also includes this interesting observation: "In September, 1982 Psychology Today published a survey indicating that 90% of the women in executive positions were over 5'7", thin, and with short hair".

1A

Hisrich, R. D. and Candida Brush, "The Women Entrepreneur: Management Skills and Business Problems". Journal of Small Business Management, January, 1984.

These authors define entrepreneurs as those who start a business. They quote the U.S. Small Business Administration as reporting that the number of self-employed women in the U.S. increased from 1.7 million in 1977 to 2.3 million in 1982, vis-a-vis a male increase of 12%. The authors conducted a survey of 1,151 women entrepreneurs in 18 states because they considered the samples analyzed in previous studies (Schwartz, DeCarlo and Lyons, Hisrich and O'Brien) too restrictive. Their survey resulted in a very good response rate (41%) and found:

1) Women entrepreneurs (and their parents and husbands) are highly educated.

2) The overwhelming majority (90%) are in service businesses.
3) 30% of the businesses had no employees and 42% 1-4.
4) Almost half the respondents considered themselves poor or fair at financing skills, a far higher percentage than in any other area of expertise. The next highest category was marketing and sales skills, with 26% of the respondents considering themselves poor or fair. They considered themselves best at dealing with people and generating ideas. The authors concluded that women should have access to a wide variety of seminars and should establish formal and informal networks.

4A

Human Development Centre of Winnipeg. "Minding Her Own Business: A Study on Self-Employment in Manitoba". Winnipeg, 1983.

This report is based on four case studies of women business owners and on a mail survey of 100 self-employed men and women. It is intended to help people decide if self-employment is an appropriate option for them. This study found that independence and self-fulfillment were powerful motivations for starting and continuing a business. In addition, flexibility and variety were considered important, although, not surprisingly, by significantly more women than men. The respondents considered a positive attitude, commitment, and personal energy the three most necessary attributes for success at self-employment. Interestingly, the respondents defined "success" in their own terms as quite different from society's traditional definition, but felt they were successful by both definitions. Male and female responses to this question were not startlingly different.

3A

Jennings, W. E., "Entrepreneurship: A Primer for Canadians." Canadian Foundation for Economic Education, 1985.

This book is basically aimed at high school students. It is interesting to note that the first entrepreneur profiled in the book is a woman (Vicki Bardon of Suttles and Seawinds in Nova Scotia) although it is also interesting to note that while she created the concept, started the company, and raised the initial venture capital, she "had little interest in or understanding of the economics of running a rapidly growing business."

The book briefly discusses the increasing incidence of women business owners and then goes on to discuss business plans, marketing plans, market analyses, operating strategies and so on. It appears to be a useful document for high school students, although from the point of view of encouraging female entrepreneurship specifically it may be limited in its impact.

Knight, R. M. "Entrepreneurship in Canada". the University of Western Ontario. Journal of Small Business in Canada. Summer, 1983.

Although this article is not gender-specific, it discusses some of the research that has been done on entrepeneurs in Canada. The author devised a framework to explain why people choose the entrepreneurial route. Two of his seven categories relate specifically to women — the corporate drop-out and the housewife, both of whom may face difficulties in the traditional world of work.

2, 3 B

Lavoie, Dina. "A New Era for Female Entrepreneurship in the '80's". Ecole des Hautes Etudes Commerciales de Montreal. 1984/85.

Ms. Lavoie defines an entrepreneur as one who starts her own business — running one is a necessary but not a sufficient condition. She points out the paucity in Canada of statistics relating to women business owners. She also discusses several studies that have concluded that Canadian and American women business owners are fundamentally similar, a conclusion that seems intuitively acceptable. She also mentions several studies that have concluded that men and women entrepreneurs are also basically similar. However, she considers any comparisons between men and women entrepreneurs to be premature because there are insufficient grounds for comparison.

She has done primary research on female entrepreneurs in Quebec and has concluded that their major problem is not lack of financing but lack of knowledge of management skills. They also indicate a need for networking. Ms. Lavoie includes an interesting quote in her article from the 1982 Copenhagen Conference on Women Heads of Business which is repeated below:

". . . in countries where there was a tradition of women producing, trading, or selling products, there are more women heads of business who innovate and find solutions for economic needs. According to their studies,

these women set up parallel credit systems and income-creating activities in the form of co-operative partnerships, and these systems and partnerships are useful models for development projects." The co-operative aspect of women's ventures is an area worth exploring.

3A

Litton, Moneca "Women Business Owners and Financial Institutions in Western Canada". Vancouver, 1985.

This study was done for the Royal Bank and is based on interviews with the Bank's clients. Most of the respondents were from B.C. Some of the study's findings:

- 50% were incorporated, a far higher figure than is normally the case for women-owned businesses. Clearly, bank clients are a special subset.
- the average age was 34, the youngest 19, the oldest 73.
- challenge and independence were the major motivating factors, but the desire to make money and the need to create flexible work hours for family reasons were also important motivators.
- almost half were married and almost all of these were in business jointly with their husband. It would be useful to know if this situation is widespread, or confined to B.C., or indeed confined to bank clients.
- over 60% had children between 6 and 14.
- a large percentage felt they lacked adequate management skills.

3A

Loden, Marilyn. "Feminine Leadership". Random House, N.Y. 1985.

This book is not about female entrepreneurs per se but it is a very interesting analysis of men and women in the world of work and how different they are (and why). Ms. Loden discusses both biology and sociology to come to a number of enlightening conclusions about motivations, relationships, risk-

taking, values, response to aggression, problem-solving, and intuition.

2A

McDermott, Kevin "The '80's: Decade of Women Entrepreneurs" D & B Reports. July/Aug. 1985.

Mr. McDermott cites the usual American statistics and concludes that female entrepreneurship is a cultural phenomenon with important economic and political consequences. He describes the National Association of Women Business Owners as a critical actor on the stage because of its political clout. In fact, the NAWBO has put together a political action committee (a lobby group), which through its "appointments project" is attempting to tap into the government appointments process to win places for NAWBO members on local, state, and federal policy-making boards. NAWBO is also very concerned about access to business credit.

Another American organization, the American Women's Economic Development Corp. (AWED), is a non-profit counselling resource for female entrepreneurs. AWED believes that a lack of cultural encouragement for female entrepreneurs has left them without a knowledge of basic business skills, particularly financial skills. As the President of AWED says "That's not genetic. You're not born afraid of money". The President, Beatrice Fitzpatrick, also points to psychological factors that may stand in the way of women's success as business owners, such as their socialized lack of aggression and fear of power. She hypothesizes that it is perhaps because of such conflicts that the phenomenon of networking is so characteristic of female business owners.

2,4A

Millar, Anita "A Study of Women Entrepreneurs in Canada." Small Business Office, Department of Regional Industrial Expansion. August, 1986.

Part I of this study analyzes Revenue Canada data covering the 1972-1983 period, which indicates that the number of female business proprietors is increasing at a faster rate than the male. Interestingly, these data show that the greatest growth of female business proprietors occurred in the mid-'70's and peaked in 1978. This finding is definitely worth further exploration.

Part II describes the findings of the Stevenson, Lavoie, Collum, and Government of British Columbia studies also referred to in this literature

review and Part III describes some American and British study findings.

3,4,5,A

The Minnesota Project. "Home Enterprise in Minnesota". October 1984. (The Minnesota Project is a private non-profit organization focussed on community economic development.)

This report analyzes the extent and the health of home business in Minnesota, which are considered important because "home based and cottage industries are microbusinesses which provide entrepreneurial experience to sectors of the population which are normally not reached through traditional economic development efforts." They can allow individuals to become economically self-sufficient through home enterprise.

The report makes a number of recommendations related to making government programs more responsive and more accessible to home based businesses, 77% of which are owned by women. Not surprisingly, half of the respondents surveyed by the authors indicated that they chose home-based work because of child and family responsibilities. The report also makes a number of other suggestions related to improved marketing techniques, better information sources, raising capital, and preserving equity in wages and benefits. It concludes with a listing of available resources for home-based businesses. This is a useful and interesting publication.

2,4,A

President's Inter-Agency Task Force on Women Business Owners. "The Bottom Line: Unequal Enterprise in North America." Washington, 1978.

This document was one of the very first analyses of women entrepreneurship ever produced. It is the work of a Task Force which was instructed to:

a) Identify and assess sources of data and propose ways of improving data collection.
b) Identify what conditions discourage women from becoming entrepreneurs.
c) Assess federal programs and recommend ways of making them more effective.

The data the Task Force used is quite out-of-date. Nevertheless the report has some interesting things to say, among them this conclusion:

" . . . the Task Force has concluded that if starting a new business is considered difficult, it is considerably more difficult for a woman. A systemic history of overt discrimination starts her on a course in life that steers her from a traditional "man's province", prevents her from training for careers that lead to entrepreneurship, diminishes her ambitions and aspirations for this career, and then places obstacles in her path as she tries to pursue it."

The Task Force made dozens of recommendations, which, had they all been implemented, would have made the U.S. a paradise for women entrepreneurs. However, the political environment changed radically shortly after the Task Force report was published (from Carter to Reagan) and it is likely that few of the recommendations have been followed. The Task Force recommended that the following definition should be adopted on a standard basis throughout the Federal system:

"A woman-owned business is one which is at least 51% owned, controlled, and operated by a woman or women. "Controlled" is defined as exercising the power to make policy decisions. "Operated" is defined as actively involved in the day-to-day management." Although there are defects with this definition (as there are with all definitions), the Task Force thought a standard definition important for statistical and programmatic reasons.

Two of the five chapters of the report concern training and education because of the Task Force's finding that " . . .at no level of the educational system and in none of the federally assisted management training programs, were women adequately assisted in developing business ownership skills". A survey conducted by the Task Force elicited the following needs most frequently:

a) better administrative background, bookkeeping, business practices, manufacturing, and salesmanship.
b) market information
c) tax information
d) general business counselling

The Task Force also identified access to credit as a problem.

4A

Province of British Columbia. "Survey of Women Business Owners in British Columbia: Major Findings and Policy Implications." April, 1986.

A mail survey of 3000 woman-owned businesses in B.C. was conducted in the spring of 1985. One-third of the questionnaires were returned, with the following major results:

- the typical woman-owned business in B.C. is a sole proprietorship in the service industry that grosses less than $49,000 per year.

- 45% of the businesses have no employees and most of the rest have 3 or fewer.

- nearly 40% of the entrepreneurs have graduated from college or university.

- their average age is 41 and over half have no children living at home.

- almost 75% financed their businesses from savings.

- the respondents were most likely to consult an accountant for advice; federal and provincial government services were seldom used.

- major motivating factors were challenge and satisfaction, money, independence and flexibility.

- the biggest problem encountered was access to capital.

- the major recommendations arising from the study are:

  1. A reliable and consistent data base on women entrepreneurs needs to be developed and maintained.

  2. A publicity program about female entrepreneurs is needed.

  3. Information on sources of financing should be widely distributed.

  4. Counselling for women entrepreneurs should be available.

  5. Lending policies of financial institutions should be sensitive to the needs of women business owners.

Province of British Columbia. "Self-Employment Trends in British Columbia: Focus on Women 1975-1984." Victoria, B.C. September, 1985.

This report is based on data collected by Statistics Canada's Labour Force survey. Between 1975 and 1984, the number of self-employed people in British Columbia increased from 114,000 to 190,000, of whom 133,000 were men and 57,000 women. In terms of percentage increases, the growth rate among the female self-employed was twice that of the male -- 119% versus 67%. In industrial terms, people (male and female) were most likely to be self-employed in agriculture, personal services, and special trade contracting. This was true of both B.C. and Canada. Women were more likely to be self-employed in ser-

vices and trade.

3A

Province of Saskatchewan, "Women in Business" Saskatchewan Department of Tourism and Small Business. May, 1986.

The Saskatchewan government has been actively pursuing the issue of women in business for several years. In addition to reliance on the traditional data sources (Stats Can and Revenue Canada), the Province has also contracted for four different surveys on entrepreneurs. Interesting gender-related findings from those surveys are as follows:

1. A Canwest Omnibus survey done in October 1985 found that 13% of the women and 15% of the men were operating a business other than farming. When asked if they were considering starting a business other than farming, 76% of the women and 61% of the men said no. This is an interesting statistic in light of the conventional wisdom that the majority of new businesses are started by women.

2. An April 1986 survey of new entrepreneurs discovered that the educational levels of male respondents were higher than those of females (see following point for caveat).

3. The same survey discovered that 63% of the women were planning to invest more than $20,000 in their business vis-a-vis 51% of the men. It must be remembered however that this survey was based on worker compensation files, which means the sampled businesses were big enough to have employees. The report cautions that the small number of female respondents means care should be used in the interpretation of the results.

4. The survey indicates that motivation is different for men and women, particularly from the "previous experience" perspective and the "wanted to be own boss" perspective. Not surprisingly in view of their generally wider experiences, 58% of the men but only 43% of the women indicated that "previous experience" was a major motivating factor. In contrast, 60% of the women but only 48% of the men indicated that a desire to be their own boss was a major motivating factor. However, motivation questions in particular tend to be somewhat frustrating because of what they leave unexplained. Why do women want to be their own boss? What does "previous experience" as a motivating factor mean?

5. Almost 40% of the sample (no sex breakdown) was unemployed prior to starting up, which seems high. The Ontario study (see Blatt) found that 25% of start-ups were unemployed, which they considered high.

6. The men plan to hire more employees. In 3 years from start-up, 41% of the men but only 20% of the women plan to have 3 or more full-time employees.

7. The survey sums up the difference between men and women entrepreneurs this way: "The major difference between men and women in our sample of new small business owners has mainly to do with attitudes toward growth. Women's investments are more modest, they plan to provide fewer man-hours (sic) of employment to the economy, and they take longer before deciding to start. They have less previous experience than men and have chosen to start a business in order to be their own boss." Some of these comments are easily understandable (e.g., women have less previous experience), but others are not. Why are their investments more modest? Because they don't have access to capital? Why do they plan to provide fewer "man"-hours? Because they must raise the children as well? Why are they so interested in being their own boss?

8. A 1986 survey of existing entrepreneurs (also based on Worker's Compensation files) found that educational differences were similar to new entrepreneurs (i.e., men better educated than women). The motivations were also similar with the one quite startling difference that only 31% of the existing female entrepreneurs versus 60% of the new that "wanting to be their own boss" was a major motivation. It is difficult to explain this.

9. The report also contains a very useful review of the literature and an annotated bibliography.

3A

Schwartz, Eleanor. "Entrepreneurship: A New Female Frontier." Journal of Contemporary Business. Winter, 1976.

This article was one of the first to focus on the subject of women business owners and it is still widely quoted today. The article is based on only 20 (twenty) women. Furthermore, there is no indication how Ms. Schwartz found them. The article seems quite dated, although it is only 10 years old.

Ms. Schwartz concluded, based on her survey and a review of the literature on male entrepreneurs, that female entrepreneurs are motivated by the same things as are males: the need for achievement, independence, status, money, power, affiliation, security, and job satisfaction. Ms. Schwartz does say though that women in general have a greater need for affiliation than for achievement and that they will have to be "resocialized" (sic) if they are to become better entrepreneurs. They will have to acquire "The ability to risk and sacrifice friends, sports, or hobbies." It seems amazing in 1987 but in 1976 Ms. Schwartz attempted to address the myth that "women are emotionally unsuited for executive work" by stating the following:

"Even professional opinion is divided on this point but doctors point out that men as well as women have physical/emotional problems which interfere with work. They assert that it is not the case that all women have difficulty performing work during menstrual periods or menopause."

Although still widely quoted, this study has some serious shortfalls.

4B

Scollard, J. R. "The Self-employed Woman". Simon and Shuster, N.Y. 1985.

Basically, this is another "how-to" book in an American context. Its statistical content is limited to noting that one-third of the 1.5 million new corporations established in the U.S. in 1984 were formed by women and that there are now 3-4 million women entrepreneurs in the U.S. (rather a broad range). It considers the major motivating factors for women entrepreneurs to be:

a) limited progression possibilities in the corporation,
b) lack of job satisfaction,
c) corporate life de-feminizing,
d) lack of control,
e) need for more flexibility to deal with family responsibilities.

1B

Scott, Carol E. "Why More Women Are Becoming Entrepreneurs". Journal of Small Business Management, October 1986.

This article describes a survey of 154 women business owners in Georgia, which was followed up with another survey of both male and female entrepreneurs in the Atlanta area.

The first survey noted:

- 59% were married
- 76% had children
- 39% were between 30 and 39 and 34% were beteen 40 and 49.
- 63% had some previous managerial experience
- 86% had attended college
- 50% had close relatives who were self-employed.

What is surprising is that 88% of the businesses had employees, in fact an average of 13 employees each, although many were part-time or contractual.

In terms of motivation, being one's own boss and challenge were the two most frequently mentioned, with flexibility (for family reasons) far down the list of those surveyed,

29% thought it would be easier to borrow money if they were men.

The second study, which covered both male and female entrepreneurs, discovered the following differences between the sexes.

- 48% of the women but 42% of the men found running their own business to be more difficult than they expected.
- 61% of the men but only 20% of the women found their profits close to what they had expected.

The article concludes by pointing out the desirability of further research in these areas:

- motivation
- problems encountered
- how women balance the needs of business life and family life.

4A

Small Business Secretariat, Department of Regional Industrial Expansion. "Canadian Women Owner/Managers". Ottawa, 1982.

This report is largely based on the work done by Professor David Collom of Queen's Unviersity. It also includes some Revenue Canada and Statistics Canada data and some American information. Its major findings are:

1. The number of women-owned businesses is increasing but profit levels are typically less than those earned by men-owned businesses.

2. Of the 275 women interviewed for the Queen's survey
   - 2/3 had started the business
   - 75% had been in business for fewer than 3 years
   - most were in the retail and service sectors
   - 1/3 were born outside Canada
   - many came from an entrepreneurial family
   - governments were perceived to be of little help in the majority of cases
   - most of the respondents considered their skills to be weakest in the planning and marketing areas
   - 2/3 of the women did not feel they faced problems any different from businesses in general.

3. The policy implications listed by the Queen's Study are not particularly helpful. For example:

"6. Governments and the private sector should become more attuned to the needs of small business owners, women and men alike."

and

"1. the private sector, academic institutions, and governments should be aware that more and more women are becoming part of the paid labour force as owner/managers as well as employees."

Of course, it is necessary to bear in mind that one of the basic findings of the study was that women did not want special treatment. In this circumstance, radical action would hardly be necessary.

The report concludes by summarizing the findings of the Inter-Agency Task Force and the Schwartz article.

3A

Stevenson, Lois. "The Study of Entrepreneurship". Journal of Small Business Canada. Spring, 1985.

This article is based exclusively on Professor Stevenson's 1984 report.

Stevenson, Lois. "An Investigation of the Entrepreneurial Experience of Women: Implications for Small Business Policy in Canada". Acadia University, 1984.

This is the Canadian study on entrepreneurial women, an exhaustive analysis of 183 women-owned businesses in the Maritimes. The report took three years to prepare and was published in early 1984. In statistical terms, Professor Stevenson found that the women she studied were on average 36-45 years old, that 60% had some level of post-secondary education, that over half had at least one self-employed parent, that 70% of them were married, and that 80% felt they had experienced barriers unique to them as women business owners. The women she studied also typically felt restrained to some degree by family obligations — their emergence as entrepreneurs was complicated by family commitments and by conflicts arising from those commitments.

Professor Stevenson made 5 major recommendations, all aimed at the Federal Government, presumably because the study was financed in part by that government.

1) That a Task Force be assigned to compile and disseminate data on women owned businesses.
2) That programs be implemented to improve women's access to business credit.
3) That specific management assistance programs be made more accessible to women business owners as a separate target group.
4) That a public awareness campaign be undertaken to reinforce cultural change about the roles of women in business.
5) That the possibility be examined of funding entrepreneurial development centres in Canadian universities to foster increased levels of business formation by all groups.

Professor Stevenson arrives at these conclusions on the basis of both primary and secondary research. She discusses the two approaches to entrepreneurship -- the economic and the psychological -- and concludes that not only are both these factors important, but that government can affect the emergence and the role of the entrepreneur. She believes that there is not an "entrepreneurial personality", but rather that given a degree of ambition and ability common to many individuals, the determining factor appears to be circumstance, or experience, or situation. She also discusses a number of studies that conclude that where entrepreneurship is highly valued by the society, marginal groups (including women) will have more difficulty thriving. To the extent that the often-repeated shibboleth about Canadians being less entrepreneurial than Americans is true, perhaps Canadian women might have some kind of advantage here.

Professor Stevenson describes the many definitions of "entrepreneur" and chooses the "proprietorship" one for her study -- the entrepeneur must own a business, not merely control one (this is the "bureaucratic" definition). However, she does not require that an entrepreneur start a business, which is the definition used by several others included in this review. The role of the entrepreneur as so defined is described at length in the report. Professor Stevenson then analyzes the research on women business owners that was available when she was writing her report. She mentions only the President's Interagency Task Force, the Schwartz Report, the Queen's Study, and the Schreier Study.

The rest of Professor Stevenson's report describes her own survey -- how she identified women business owners, how she interviewed them, and how she designed the questionnaire. The survey findings are discussed in detail. In addition to the statistics cited at the beginning of this abstract, some of the more interesting findings include:

1) Maritime women are well represented in manufacturing, contrary to myth. Professor Stevenson hypothesizes that perhaps this myth gained currency because women owners of manufacturing businesses are harder to find than those in the service and retail sectors.
2) 56% of the women had children living at home.
3) 19% of the women were immigrants.

4) 39% came from families where the mother worked outside the home.
5) In an interesting departure from the conclusions of several other studies described in this review, Professor Stevenson found that one of the least important factors leading to business success was exposure to other business women.
6) In an interesting parallel with other studies, Professor Stevenson found that a significant number of women considered themselves weak in accounting and marketing skills.
7) Professor Stevenson concluded that there was a need for an organization of women business owners in the Maritimes.
8) Women business owners do not typically use government programs aimed at helping small businesses.
9) Professor Stevenson conducted in-depth personal interviews with seven women. It is interesting that all seven were motivated by a determining event — a divorce, a death, a 40th birthday, a job loss. In addition, all had a "significant other" involved in business.
0) As a general conclusion to the whole study, Professor Stevenson considers the differences between women and men:
   - Women are much less likely to emerge as entrepreneurs because of unequal access to managerial experience, to capital, and to a suitable education. Furthermore, they are unequally affected by family commitments.
   - Although women are just as likely to experience a "determining event" as a man, they are less likely to receive cultural encouragement to become entrepreneurs.
   - Women may be at an entrepreneurial advantage because they have greater opportunity for job dissatisfaction and because they may face fewer perceived risks going into business (less afraid of losing face).

The Stevenson Report is well worth reading.

2,3,A

Stevenson, Lois. "Against All Odds: The Entrepreneurship of Women". Journal of Small Business Management, October, 1986.

This article by Professor Stevenson is based on several studies, including her own major study of Maritime women business owners.

She points out that historically and traditionally, women have been confined to the private sphere of domesticity and so have been denied access to the requisite resources for entrepreneurial entry -- access to capital, business and technical education, and prior management experience. Furthermore, when women do manage to break into the entrepreneurial arena, their experiences are difficult to evaluate. Professor Stevenson says "Such research [on female entrepreneurs] makes male entrepreneurship the standard, and then

proceeds to measure women against it, rather than exploring the possibly unique aspects of women entrepreneurs."

In spite of this critical comment, Professor Stevenson goes on to describe the "comparative dimensions of female/male entrepreneurs" as revealed in the literature thusly:

1) Women are generally better educated, although they lack training in business and management.
2) Male entrepreneurs are more likely to be married (90% versus 50-70% for women).
3) Women are much more likely to say they need the support of their families than men.
4) There are no identifiable sex-related psychological differences between male and female entrepreneurs.
   As Professor Stevenson points out, some studies have in fact reached this conclusion, although her original observation about biased research bears repeating.
5) Men and women turn to self-employment for the same reasons -- primarily greater control over their lives.

Professor Stevenson concludes this article by speculating that perhaps there are not many sex-based differences between male and female entrepreneurs, although she indicates that further research is required in the following areas:

- what pushes or pulls women into business.
- what problems and opportunities they perceive.
- what type of businesses they start and how they manage them.
- what effect the "social world" of women had on their business enterprises.

2A

Taylor, Charlotte "Women and the Business Game." Cornerstone Library, New York, 1980.

Ms. Taylor was the Executive Director of the Inter-Agency Task Force on Women Business Owners. This book was written as a result of her contact with women during the period of the Task Force, women who expressed a need for a better how-to book written with their needs in mind. The book is unusually philosophical for a how-to book, although its philosphical underpinnings are rooted firmly in capitalism. It will not appeal to feminists who are more collectively oriented.

Ms. Taylor believes that women become entrepreneurs because of externally imposed limits to success in corporations. However, she also believes that

because of their training, education, and general socialization they face additional obstacles as entrepreneurs. To counter-balance their lack of management and business training, Ms. Taylor contends that their values and attitudes are more suitable to entrepreneurship than are men's -- that they have fewer needs related to power, aggression, and ego. But she also points out that women tend to be the owners of small, marginally profitable firms although, as she also points out, no one knows why. Most of the book deals with the familiar how-to issues in a comprehensive and readable way.

1,2A

White, Jerry. "The Rise of Female Capitalism -- Women as Entrepreneurs". Laventhol and Horwath, 1986. (Note: this study is for some reason often mistakenly attributed to Thorne Riddell).

This is one of the few studies that have been done on Canadian female entrepreneurs. In 1978 Haventhol and Horwath conducted a survey of 1,989 business owners based on a random sample of new business start-ups.

The same group was surveyed again in 1981 and in 1983. Of the original group of 1,989, 1,364 (69%) were women. This statistic has been quoted innumerable times in innumerable articles about Canadian women business owners. In 1981 47% of the women were still in business but only 25% of the men, and in 1983, 40% of the women were still in business vis a vis a more typical 25-30%. The White Study attributed the greater female success rates to longer and better preparation, more modest expectations, and better financing. Almost three-quarters of the women owned either retail or service businesses.

In 1986, Haventhol and Horwath published Parts II and III of the study, on financing needs and information needs. Part IV, on motivations and concerns, will be forthcoming.

Part II states unequivocally that in January, 1986 "40% of total small business in Canada was controlled by women" and although "small business" is not precisely defined in the study, this statistic seems somewhat hard to believe. Nevertheless, the conclusion of the financing report seems indisputable -- that women business owners are an increasingly important market for financial institutions. The conclusion of the information section, which appears to be a market research study for Haventhol Horwath clients, is that "media interested in reaching the female owner/manager would be well advised to consider a format of the style and scope of "En Route" magazine than that of "Business Week"! This is because the women business owners surveyed for Part III of the report indicated that they looked for more in a publication than narrowly focussed data on taxation and so on. While many observers consider the generally wider focus of women's interests a strength (see for example the

Hoden Abstract), the Haventhol Horwath conclusion seems rather gratuitous. It is important to bear in mind that the company's motivations in doing their research are broader than the merely academic.

3B

Winter, Maridee Allen. "Mind Your Own Business, Be Your Own Boss." Waxwing Productions Ltd. Toronto, 1980.

This is a good how-to book in a Canadian context. It discusses all the relevant topics and also includes a chapter on feminist enterprise.

1A

Magazine and Newspaper Articles (A Highly Selective Choice)

(Note: there have been many articles on women business owners over the last 5 or 6 years. Most are similar, focussing on the achievements of specific women. Some do contain unusual or very interesting information.) A few examples.

1. Globe and Mail June 1/84 -- this article is about women's access to credit. It concludes that women need training in financial matters. It does not conclude that women face discrimination in terms of access to credit.

2. Globe and Mail May 29/86 -- this is an interesting article. It questions the popular notion that women business owners are very common and extremely successful. Susan Cooke, the founder of the Canadian Association of Women Business Owners, points out that many women enter very competitive and low-profit fields such as secretarial services, day care, and public relations. She is worried that women are being mislead by superficial statistics.

   The article also indicates that Lois Stevenson is making a documentary film about women entrepreneurs in Nova Scotia. The film is intended to provide role models for other women who "haven't been brought up to think that they're going to manage and run their own businesses."

3. Montreal Gazette July 14/86 -- this article makes reference to a 1985 study of Quebec entrepreneurs done by Colette Vernet for the Provincial Department of Industry and Commerce. The Department has a Directorate for the promotion of female entrepreneurs and published a brochure based on the study. The brochure was distributed to young female graduates of CEGEP's and universities. The Directorate also offers guaranteed loans of up to $25,000 to entrepreneurs as well as technical assistance and training. Of the 800 people who have participated in the program since its inception in 1984, 20% have been women.

4. Northern Ontario Business Sept. 1985 -- this article states that based on "surveys" (unnamed), female entrepreneurs created 52,000 of the 70,000 new jobs created in Ontario over the previous three years. Furthermore, it adds that "40% of this country's successful businesses are owned by women." it also quotes the Ontario Small Business Secretariat as forecasting that 67% of new business starts in 1985 would be accounted for by women, in diametric opposition to the Blatt article included with this literature review. The article also asserts that women entrepreneurs do not view their concerns as different from men's and do not consider themselves victims of their environment. One paragraph later the article explains greater preparedness on the part of female entrepreneurs as a reaction to being told frequently that they have no experience and no ability to be successful in business. The article also includes (with the equivalent of a straight face) the following quote from an accountant: "Women tend to develop a business plan in much the same way they clean their houses, delving into every corner, leaving no piece of furniture unturned. It's a natural instinct."

5. Fredericton Gleaner May 24/86 -- this article is about a Canada Employment and Immigration program aimed at developing entrepreneurial skills among women who have been out of the work force for at least three years. It involves classroom training and internships.

6. Business Week, Dec. 22/86 -- although mainly a profile of a few successful women entrepreneurs, the article contains some useful statistics (from the Small Business Administration) and indicates that the National Association of Women Business Owners was, at the time the article was written, engaged in a study of its 3000 members. It quotes a researcher from M.I.T. on the subject of rapidly increasing numbers of women entrepreneurs as follows: "Getting the count up was the easy part. Now comes the harder part. Can you take 25% ownership and inflate it to 25% of receipts?" (Statistics indicate that women-owned companies in 1983 generated less than 10% of total U.S. business receipts.) This comment of course begs the very interesting question of whether women in general want to inflate their receipts substantially.

   The article points out that women still go overwhelmingly into service businesses, in part because of lower startup costs. In fact Felice Schwartz, president of Catalyst, which is a New York organization specializing in research on working women, considers raising capital the chief obstacle facing women entrepreneurs. She recently said: "It's still harder for a woman to borrow and it's harder to get money for a service business". The National Association of Women Business Owners' survey mentioned previously has found that 38% of its members were turned down by bank lenders during the preceding 5 years and that 66% of those claimed that sexual discrimination played a role in their rejection.

7. Globe and Mail Nov. 17/86 -- one of the interesting issues in female entrepreneurship is the extent to which female risk-taking is different from male risk-taking and whether these differences, to the extent they can be identified, are an aid or an impediment to entrepreneurship. This article in The Globe is a reprint from the New York Times on risk-taking, particularly financial risk-taking. One of the major researchers in the U.S. on this subject says that the number 1 goal in life of the risk-takers is to be successful while that of the risk-averse is to be happy. There are many other differences between the two groups, including the "fact" that the risk-takers feel more in control of their lives than the risk-averse and are thus more willing to take risks when it seems the sensible thing to do. Women are traditionally regarded as conservative investors and while one could speculate endlessly about why this is so (assuming it is true), the article describes an interesting study done at M.I.T. Groups of men and women were each given $10,000 to invest in hypothetical portfolios. The women on average bought and held while the men "took risks" and bought and sold more often. At the end of the study, the women on average had made a profit while the men had lost. It is possible that this whole risk-taking issue is one of semantics -- perhaps women should be described as "intelligently cautious" instead of the more pejorative "risk-averse". It is appropriate to quote Lois Stevenson at this point, "To even attempt to relate personality characteristics to entrepreneurial success presents

major problems since measurement devices often contain strong biases towards white males."

8. Globe and Mail, July/85 — this article is based on an interview with Moneca Litton, a Vancouver consultant who did a study on women entrepreneurs for the Royal Bank. Ms. Litton believes that women have some attitudinal advantages over men; that because of the way they have been educated, they are more careful during the start-up stage. She said "women do not naturally assume they know everything before they enter a business arrangement. They are not afraid of asking questions. Essentially, they have more manageable egos than men". Ms. Litton also believes that women are more cautious because they have less money.

9. Financial Post, August 23/86 — until very recently, the conventional wisdom was that women did not buy franchises but no one seemed to know why. Explanations ranged from a disinclination to do deals to a preference for operating a business one in a sense loved and gave birth to rather than one that already existed and was merely profitable. It seemed not to occur to any of these observers that probably the main reason women did not buy franchises was because they could not afford them.

   This article supports that hypothesis. Pointing to a dramatic increase in the number of franchises owned by women, the article attributes this phenomenon in part to the low cost of many new franchises — Molly Maid's $5000 for example. It also attributes the increase to changing attitudes on the part of men, who previously were reluctant to consider a woman franchisee. Now, according to a Laventhol and Horwath consultant, "Many franchisors now prefer females because of their willingness to be trained. Unlike some men, they don't walk into a business assuming they already know everything about it . . . and . . . Women are still competing in a male-dominated business world and they often have to work harder to prove they are as competent".

10. City Woman Winter 1985 "Mind Your Own Business". — this is a good how-to article in a Canadian context. It contains an interesting quote from Karen Fraser, owner of Women Like Me in Toronto. "Women continuously work in an atmosphere of obstruction. We can't get enough capital. We work in an atmosphere of failure. Everyone assumes we're a big laugh. And our family and friends think we're idiots".

11. Winnipeg Free Press, Sept 29/85 — Kristin Shannon, a Canadian economist, points out in this article that the businesses typically started by women (service type primarily, retail trade) are in exactly those sectors of the economy that will thrive in the "post-manufacturing" era. Shannon points out that women were the first in our society to "figure out their vulnerability in large corporations."

12. Winnipeg Free Press, July 24, 1985 — the article is based on an interview with the co-ordinator of a non-profit project in Vancouver that focuses on women's work, education, and economic survival. She believes that co-operative businesses are part of the answer to female unemployment.

Several of them operate in B.C.

13. Herizons, April 1985 -- an article in this issue discusses one of the B.C. Co-ops -- Emma's Jambrosia. It was started by a group of women whose motivation was to start a business that would become self-supporting. It operated successfully (and collectively) for several years.

14. Canadian Dimension, late 1986 -- this article also discusses the feminist economics of community economic development in B.C. An interesting point raised in the article concerns the fear of trade unions that cooperatives and other kinds of collectives may lower wage rates. The article suggests that perhaps a new kind of accounting -- "social accounting" -- is necessary to recognize the benefits that can accrue to women from being involved in these sorts of organizations -- being able to stay home with a sick child for example, or receiving training that might otherwise not have been available.

15. Inc. July 1986 -- Inc. is an American business magazine and the title of the particular article of note in this issue is "Why There Aren't More Women in this Magazine". The article was prompted by a subscription cancellation from a woman executive who complained that the magazine was too male-oriented. The magazine in turn responded that the difficulty was not lack of interest or concern -- it was lack of sufficient women in business, or at least, in "big" business. It quotes the usual statistics about women-owned businesses hiring fewer employees, making lower profits, raising less outside capital, being three times more likely to operate out of a home, and so on. It points out that the national organization of women who own businesses with more than $5 million in annual sales has only 236 members.

    The author of the article (a woman) speculates about why this should be so -- the old boy network? relative newness in the business world? a predilection for small, unimportant corners of the economy? She admits there are no data capable of answering this question definitively but hypothesizes that women own and operate businesses for reasons completely different from men; that they are trying to support themselves and bring balance and flexibility into their lives rather than becoming a Fortune 500 Company. As a consequence of differing motivations, they also define success differently. They are more interested in satisfied employees, respect from peers, and good personal relationships than are men. They are better team players and less hierarchical.

    But, continues the article, unfortunately many women have failed to realize that happy employees are all very well but profits are what is really necessary. Furthermore, women's desire to be liked stands in the way of business success, as do various other aspects of their socialization. The article quotes a well-known psychologist who believes that women will never be good entrepreneurs because they lack the "irrational intensity that drives men to see rivals on every business horizon and to build compensatory organizations that will prove their worth to their fathers."

The author concludes that men and women will always operate in different business cultures. She believes that women will form an increasingly important part of the economy as time goes by, although they will never "set the world on fire in traditional terms." She also thinks that as a result of being exposed to more women in business, men might be able to view their world from a broader perspective.

It seems unlikely that this somewhat condescending article would have prompted the disgruntled subscriber to change her mind.

16. Working Woman, September, 1983. This article summarizes work done in the U.S. by Welsch and Young and by Hisrich and Brush. The studies conclude that the six major differences between male and female entrepreneurs are:
    1) Women research their ideas more carefully and continue to remain better informed.
    2) Women are more realistic about conditions around them.
    3) Primarily because of their educational backgrounds (over-whelmingly liberal arts) women are noticeable by their absence in high technology and other scientific fields.
    4) Women start fewer innovative businesses than do men.
    5) Women often start businesses for negative reasons (e.g. frustration in the corporate culture) whereas men more typically start business for "positive" reasons (to make lost of money).
    6) The management area in which women feel most inept is finance, which may help explain why women owned businesses tend to remain small.